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4 August 1951

MEMORANDUM TO MR. HOUSTON

SUBJECT: Appointment Subterfuge

1. The subject of appointment subterfuge arose during an informal discussion with Messrs Peter and Friend, GAO attorneys.

2. Members of Congress have heard that certain agencies, when it is desired to appoint an individual who lives some distance from Washington, are circumventing laws and regulations governing travel expenses. Such individuals are appointed as intermittent consultants, and consequently are paid travel expenses to Washington. After a short period of service as a consultant, the individual is then appointed to a staff position with the Agency.

3. This procedure clearly is a subterfuge to avoid application of the rule that an employee must bear the expenses of reporting to his first duty station. Congress has instructed GAO to keep a watchful eye for this practice, and to take necessary remedial action.

4. It appears that the guilty parties are the recently-created defense agencies. GAO has received no indication that CIA has engaged in the practice, but it is reasonable to conclude that our procedures may receive some scrutiny.

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OGC/JJB/McD

Original - Addressee

1 - Mr. Meloon
1 - Mr. Saunders
1 - Chrono
1 - Chief, Fiscal ✓
1 - Chief, Finance